

the years 1977 and 1979, \$10 million was taken out of Commonwealth and it was done under the supervision of the Banking Department. The Banking Department could have discovered this information if they had looked thoroughly enough. But they tended just to review the superficial reports of the Commonwealth Savings. They overlooked the fact that at the time Commonwealth, for four successive years, was reporting to the Banking Department profits of a half a million dollars each year, that in those same four successive years Commonwealth was declaring a \$1.5 million loss per year to the Internal Revenue Service. If anyone had looked at that, common sense would have told the Banking Department that something was amiss in Commonwealth Savings and that they should review and look at the expenditures, look at the transactions that were going on and if they had done that, they would have discovered the theft that was going on a long time before they did.

SENATOR HANNIBAL: Time, please. Senator Lynch, please, followed by Senator Warner, Abboud, Nelson, Higgins.

SENATOR LYNCH: Mr. President and members, could I ask Pat Morehead a question, Senator?

SENATOR HANNIBAL: Senator Morehead, would you respond?

SENATOR MOREHEAD: Yes.

SENATOR LYNCH: Just generally sympathetic to something that can help the Commonwealth victims but also help people like contained in 419 on the spend down issue and others which we're not funding with all this extraordinary expense. However, on the Commonwealth thing it's my understanding that valuations increased on the assets held by the receivers for Commonwealth from \$8 million to \$18 million in the most recent Lancaster County reappraisal. That's just the property in Lancaster County, which...which relates to about 360,000, maybe, in taxes a year, in additional taxes, not just existing taxes, that will accrue against the assets and I guess out of the pockets of the...out of the pockets of the people that had money invested. Do you have any idea when they are going to sell all the assets and get rid of them? Because, you know, this million dollars, for example, it won't be a million dollars, it will be more like \$700,000 or \$600,000 if you consider the fact that it could be used to pay back taxes in Lancaster County based on that recent reappraisal. It's...I'm curious about it and it's probably not fair to put you on the spot, but it relates to it because it's